



DEPARTMENT OF COMMERCE

International Trade Administration

[A-821-831]

Urea Ammonium Nitrate Solutions from the Russian Federation: Initiation of Antidumping Duty Changed Circumstances Review

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The U.S. Department of Commerce (Commerce) is initiating a changed circumstance review (CCR) to examine whether the Russian Federation (Russia) remains a market economy (ME) country for purposes of the antidumping duty (AD) law.

DATES: Applicable [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

FOR FURTHER INFORMATION CONTACT: Leah Wils-Owens, Office of Policy, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; telephone: (202) 482-4551.

SUPPLEMENTARY INFORMATION:

Background

On June 30, 2021, Commerce received petitions for the imposition of ADs and countervailing duties (CVD) on urea ammonium nitrate solutions (UAN) imported into the United States from Russia and the Republic of Trinidad and Tobago. In the petitions, the petitioner¹ stated that information reasonably available to it indicated that Russia does not operate on market principles, and thus, Commerce should initiate an investigation into whether, and should determine that, Russia is a non-market economy (NME) country. After finding that the petitioner's allegation met the requirements of section 732 of the Tariff Act of 1930, as

¹ The petitioner is CF Industries Nitrogen, LLC and its subsidiaries, Terra Nitrogen, Limited Partnership and Terra International (Oklahoma) LLC (collectively, the petitioner).

amended (the Act), on July 30, 2021, Commerce initiated an investigation into Russia's status as a market economy (ME) country.²

On October 29, 2021, based on the information on the record, Commerce determined to continue to confer ME status on Russia for purposes of AD law.³ However, in its determination, Commerce noted that,

when Commerce determined Russia to be a market economy country in 2002, {it} expected market-oriented reforms to continue to progress significantly. Since they have not progressed as significantly as expected and in some cases have backtracked, Commerce will monitor the progress of reforms in the Russian economy for the near future for purposes of the antidumping duty law.⁴

In its March 26, 2022 case brief in the less-than-fair-value (LTFV) investigation of UAN from Russia, the petitioner argued that the final phase of the LTFV investigation of UAN from Russia was an appropriate time in the "near future" for Commerce to revisit its determination regarding Russia's ME status and examine whether its October 2021 findings regarding that status remain valid, including its "findings concerning ruble convertibility, the environment for foreign investment, the {Government of Russia's} control over Russia's economy, rule of law, and freedom of information."⁵ Given Commerce's observations in its October 29, 2021 determination, the request in the petitioner's case brief, and the additional information gathered concerning changes to the economic conditions in Russia, we have determined to revisit Russia's status as an ME country in the context of a CCR.

Initiation of a Changed Circumstances Review

Pursuant to section 751(b)(1) of the Act, when Commerce receives information concerning, or a request from an interested party for a review of, a final affirmative

² See *Investigation of Urea Ammonium Nitrate Solutions from the Russian Federation: Opportunity to Comment on the Russian Federation's Status as a Market Economy Country Under the Antidumping Duty Laws*, 86 FR 41008 (July 30, 2021).

³ See Memorandum, "Review of Russia's Status as a Market Economy Country," dated October 29, 2021.

⁴ *Id.* at 6.

⁵ See Petitioner's Letter, "Urea Ammonium Nitrate Solutions from the Russian Federation (A-821-831): Petitioner's Case Brief," dated March 15, 2022, at 3.

determination that resulted in an AD or CVD order, which shows changed circumstances sufficient to warrant a review of such determination, Commerce shall conduct a review of the determination after publishing notice of the review in the *Federal Register*. Section 751(b)(4) of the Act provides that in the absence of good cause, Commerce may not review final determinations regarding whether subject merchandise is being, or is likely to be, sold in the United States at less than its fair value, or whether or not a countervailable subsidy is being provided with respect to subject merchandise, less than 24 months after the date of publication of the notice of that determination.

Since making a final determination concerning Russia's status, information available to Commerce indicates that there may be important changes in the economic conditions in Russia related to the six statutory factors governing NME determinations sufficient for Commerce to reexamine the issue of Russia's ME status. For a full description of recent changes in Russia related to the six statutory factors, *see* the memorandum "Reconsideration of Russia's Status as a Market Economy Country," dated concurrently with this *Federal Register* notice.⁶ Given the developments since Commerce's October 2021 determination, and the provision in section 771(18)(C)(ii) of the Act that Commerce may determine whether a country does not operate on market principles at any time, Commerce has determined that good cause exists within the meaning of 19 CFR 351.216(c) to initiate a CCR to determine whether to continue to confer ME status on Russia for purposes of the AD law.

Therefore, Commerce is initiating a CCR to determine whether to continue to confer ME status on Russia for purposes of the AD law, pursuant to sections 751(b) and 771(18)(C)(ii) of the Act, and 19 CFR 351.216(c).

Opportunity for Public Comment and Submission of Factual Information

⁶ *See* Memorandum, "Reconsideration of Russia's Status as a Market Economy Country," dated concurrently with, and hereby adopted by, this notice.

As part of this CCR, Commerce is providing interested parties with an opportunity to submit comments and factual information regarding developments in the Russian economy since October 2021 with respect to the following factors enumerated in section 771(18)(B) of the Act. Commerce must consider these factors in making an ME/NME determination:

- (i) the extent to which the currency of the foreign country is convertible into the currency of other countries;
- (ii) the extent to which wage rates in the foreign country are determined by free bargaining between labor and management;
- (iii) the extent to which joint ventures or other investments by firms of other foreign countries are permitted in the foreign country;
- (iv) the extent of government ownership or control of the means of production;
- (v) the extent of government control over the allocation of resources and over the price and output decisions of enterprises; and
- (vi) such other factors as the administering authority considers appropriate.

Interested parties may submit comments and factual information regarding Russia's current status as an ME country not later than 21 days after the date of publication of this notice in the *Federal Register*. Rebuttal comments, limited to comments on issues raised in parties' affirmative comments, may be filed not later than 10 days after the date for filing affirmative comments. Interested parties must submit comments and factual information at the Federal eRulemaking Portal: www.Regulations.gov. The identification number is ITA-2022-0005.

Parties may request a hearing in their comments. After reviewing all comments, and factual information, Commerce will determine whether to hold a public hearing in this CCR. If Commerce determines that a public hearing is warranted, it will announce a time and forum for the hearing. If Commerce holds an in-person hearing, the hearing will be held at the main Commerce building, 1401 Constitution Avenue NW, Washington, DC 20230, in a room, and at a time, to be determined.

Unless extended, consistent with 19 CFR 351.216(e), we intend to issue the final results of this CCR no later than 270 days after the date on which this review was initiated or within

45 days of that date if all parties agree to the outcome of the review.

Notification to Interested Parties

This initiation notice is issued and published in accordance with sections 751(b) and 771(18)(C)(ii) of the Act.

Dated: May 6, 2022.

Lisa W. Wang,
Assistant Secretary for Enforcement and Compliance.

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